

AMENDED IN SENATE APRIL 26, 2005

AMENDED IN SENATE APRIL 7, 2005

AMENDED IN SENATE MARCH 31, 2005

SENATE BILL

No. 437

Introduced by Senator Escutia
(Principal coauthor: Senator Alquist)
(Coauthors: Senators Ducheny and Kuehl)
(Coauthors: Assembly Members Dymally, Jones, and Pavley)

February 17, 2005

An act to amend Section 49557.2 of the Education Code, to amend ~~Section 123290~~ *Sections 123280 and 123290* of the Health and Safety Code, to amend Sections 12693.98 and 12693.981 of, to add Sections 12693.22, 12693.415, 12693.444, 12693.445, 12693.701, 12693.702, 12693.703, and 12693.983 to, and to add Chapter 17 (commencing with Section 12693.99) to Part 6.2 of Division ~~3~~ 2 of, the Insurance Code, and to amend Sections 14005.23, 14005.41, and 18925 of, and to add Sections 14005.43, 14005.71, and 14011.65 to, the Welfare and Institutions Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 437, as amended, Escutia. California Healthy Kids Insurance Program.

(1) Existing law establishes various public programs to provide health care coverage to eligible children, including the Medi-Cal program administered by the State Department of Health Services and county welfare agencies, and the Healthy Families Program administered by the Managed Risk Medical Insurance Board. Children through 18 years of age are eligible for health care coverage under these programs if they meet certain household income and other

requirements. Existing law authorizes information sharing with respect to children eligible for free school lunches in order to facilitate their enrollment in the health care programs.

This bill would create the California Healthy Kids Insurance Program, which would consist of the portion of the Medi-Cal program that provides health care coverage to children and the Healthy Families Program. The bill would require the California Healthy Kids Insurance Program be operated by the State Department of Health Services and the Managed Risk Medical Insurance Board in a streamlined manner, with eligible children to be enrolled in one program or the other, as appropriate. The bill would accelerate the process for making eligibility determinations for the California Healthy Kids Insurance Program by authorizing the administering agencies to rely on eligibility determinations made by other public assistance programs, including reduced price school lunch programs, the California Special Supplemental-~~Food~~ *Nutrition* Program for Women, Infants, and Children (WIC), and the Food-~~Stamps~~ *Stamp* Program. The bill would authorize applicants for the California Healthy Kids Insurance Program to self-certify their family income and other eligibility factors, and would provide for the administering agency to request documentation and verify information only to the extent necessary to determine eligibility and as required by federal law. The bill would expand eligibility for the Healthy Families Program and the Healthy Families Program element of the California Healthy Kids Insurance Program by allowing children with family incomes up to 300% of the federal poverty level to qualify and by otherwise liberalizing enrollment requirements. The bill would create the California Healthy Kids Expert Panel to advise the administering agencies on various matters. The bill would require the administering agencies to award local enrollment investment grants from available funds to local and regional children's health initiative activities designed to increase and retain the enrollment of children in health care coverage. The bill would require the Secretary of the Health and Human Services Agency to coordinate local children's health insurance programs with certain state and federally funded programs. The bill would make various related modifications to the Medi-Cal and Healthy Families programs. The bill would enact related provisions and state the intent of the Legislature to enact certain other provisions. Because the modifications to the Medi-Cal program would

impose certain duties on counties relative to administration of that program, the bill would impose a state-mandated local program.

(2) Existing law creates the Healthy Families Fund, and provides that money in the fund is continuously appropriated for purposes of the Healthy Families Program.

This bill would provide that the Managed Risk Medical Insurance Board may implement this act, including the expansion of the Healthy Families Program, only to the extent that funds are appropriated for the purposes of the act in the annual Budget Act or in another statute.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Health insurance is a critical investment in the health of
4 California's children, since:

5 (1) Children with health insurance are more likely to get the
6 care they need, especially essential preventive care that can
7 prevent avoidable conditions and expensive emergency room
8 visits.

9 (2) Children with health insurance are healthier and perform
10 better in school. California's investment in children's health
11 insurance has paid off. For example, children enrolled in the
12 Healthy Families Program have shown a 25-percent
13 improvement in health and 68-percent improvement in their
14 ability to "pay attention" and to "keep up with school activities."

15 (b) California's investment in state health insurance for
16 children has significantly reduced the number of children who
17 have no health insurance.

1 (c) With about 800,000 uninsured children in California, the
2 goal of extending coverage to all children in the state is within
3 reach, especially since a majority (55 percent) of them already
4 qualify for state health insurance through Medi-Cal or the
5 Healthy Families Program.

6 (d) California can no longer afford to waste precious resources
7 by dropping children from coverage unnecessarily due to
8 bureaucratic red tape, only to reenroll them at a later date. If this
9 phenomenon of children losing coverage temporarily were
10 addressed, the number of uninsured low-income children
11 nationally would be reduced by 40 percent.

12 (e) Appropriate technology solutions can help improve
13 program administration and efficiency while reducing barriers to
14 coverage for children, making it easier for children to get and
15 keep the health coverage they need.

16 (f) With existing enrollment successes like local Children's
17 Health Initiatives innovations, express lane eligibility through
18 school lunch programs and Senate Bill 24's existing newborn
19 pathway at hospitals, any reforms designed to reach all children
20 must build and improve upon the Medi-Cal and Healthy Families
21 programs, local enrollment and retention innovations and
22 available technologies to enroll more children.

23 (g) Across the state, over 27 local coalitions of local health
24 plans, community leaders, health providers, businesses, unions,
25 county agencies, First 5 Commissions, faith leaders, schools and
26 others are at work to expand access to health insurance for
27 children, resulting in exceptional models for what is needed
28 statewide.

29 (h) California voters overwhelmingly support a plan that
30 would ensure that every child in California has health insurance.
31 This support is solid throughout the state and across partisan
32 lines, even when voters understand the financial cost required to
33 cover all children.

34 (i) The Legislature aims to ensure this simple goal on behalf of
35 California's children:

36 Every child in California can get health insurance to grow up
37 healthy and strong.

38 SEC. 2. Section 49557.2 of the Education Code is amended to
39 read:

1 49557.2. (a) (1) At the option of the school district or county
2 superintendent, and to the extent necessary to implement Section
3 14005.41 of the Welfare and Institutions Code, the following
4 information may be incorporated into the School Lunch Program
5 application packet or notification of eligibility for the School
6 Lunch Program using simple and culturally appropriate language:

7 (A) A notification that if a child qualifies for free school
8 lunches, then the child may qualify for free or reduced-cost
9 health coverage.

10 (B) A request for the applicant's consent for the child to
11 participate in the Medi-Cal program, if eligible for free school
12 lunches, and to have the information on the school lunch
13 application shared with the entity designated by the State
14 Department of Health Services to make an accelerated
15 determination and the local agency that determines eligibility
16 under the Medi-Cal program.

17 (C) A notification that the school district will not forward the
18 school lunch application to the entity designated by the State
19 Department of Health Services to make an accelerated
20 determination and the local agency that determines eligibility
21 under the Medi-Cal program, without the consent of the child's
22 parent or guardian.

23 (D) A notification that the school lunch application is
24 confidential and, with the exception of forwarding the
25 information for use in health program enrollment upon the
26 consent of the child's parent or guardian, the school district will
27 not share the information with any other governmental agency,
28 including the federal Department of Homeland Security and the
29 Social Security Administration.

30 (E) A notification that the school lunch application
31 information will only be used by the entity designated by the
32 State Department of Health Services to make an accelerated
33 determination and the state and local agencies that administer the
34 Medi-Cal program for purposes directly related to the
35 administration of the program and will not be shared with other
36 government agencies, including the *federal* Department of
37 Homeland Security and the Social Security Administration for
38 any purpose other than the administration of the Medi-Cal
39 program.

1 (F) Information regarding the Medi-Cal program, including
2 available services, program requirements, rights and
3 responsibilities, and privacy and confidentiality requirements.

4 (2) The State Department of Education, in consultation with
5 school districts, county superintendents of schools, consumer
6 advocates, counties, the State Department of Health Services, and
7 other stakeholders, shall make recommendations regarding the
8 School Lunch Program application, on or before February 1,
9 2003. The recommendations shall include specific changes to the
10 School Lunch Program application materials as necessary to
11 implement Section 14005.41 of the Welfare and Institutions
12 Code, information for staff as to how to implement the changes,
13 and a description of the process by which information on the
14 School Lunch Program application will be shared with the
15 county, as the local agency that determines eligibility under the
16 Medi-Cal program.

17 (3) At the option of the school, the request for consent in
18 subparagraph (B) of paragraph (1) may be modified so that the
19 parent or guardian can also consent to allowing Medi-Cal to
20 inform the school as provided in subdivision (n) of Section
21 14005.41 of the Welfare and Institutions Code when followup is
22 needed in order to complete the Medi-Cal application process.

23 (b) (1) School districts and county superintendents of schools
24 may implement a process to share information provided on the
25 School Lunch Program application with the entity designated by
26 the State Department of Health Services to make an accelerated
27 determination and with the local agency that determines
28 eligibility under the Medi-Cal program, and shall share this
29 information with those entities, if the applicant consents to that
30 sharing of information. Schools may designate, only as necessary
31 to implement this section, non-food service staff to assist in the
32 administration of free, reduced price, or paid school lunch
33 applications that have applicant consent, but only if that
34 designation does not displace or have an adverse effect on food
35 service staff. This information may be shared electronically,
36 physically, or through whatever method is determined
37 appropriate.

38 (2) If a school is aware that a child, who has been found
39 eligible for free school lunches under the National School Lunch
40 Program, and for whom the parent or guardian has consented to

1 share the information provided on the application, already has an
2 active Medi-Cal or Healthy Families *Program* case, the
3 application shall not be processed for an accelerated
4 determination but shall be forwarded to the local agency that
5 determines eligibility under the Medi-Cal program pursuant to
6 Section 14005.41 of the Welfare and Institutions Code. The
7 school shall notify the parent or guardian of the child's
8 ineligibility for accelerated Medi-Cal due to the current
9 eligibility status and that the child's application will be
10 forwarded to the county pursuant to this section. The notice shall
11 include a statement, with contact information, advising the parent
12 or guardian to contact the Medi-Cal or Healthy Families
13 programs regarding the child's eligibility status.

14 (3) Each school district or county superintendent that chooses
15 to share information pursuant to this subdivision shall enter into
16 a memorandum of understanding with the local agency that
17 determines eligibility under the Medi-Cal program, that sets forth
18 the roles and responsibilities of each agency and the process to be
19 used in sharing the information.

20 (4) The local agency that determines eligibility under the
21 Medi-Cal program shall only use information provided by
22 applicants on the school lunch application for purposes directly
23 related to the administration of the Medi-Cal program.

24 (5) After school districts share information regarding the
25 school lunch application with the entity designated by the State
26 Department of Health Services to make an accelerated
27 determination and the local agency that determines eligibility
28 under the Medi-Cal program, for the purpose of determining
29 Medi-Cal program eligibility, the local agency and the school
30 district shall not share information about school lunch
31 participation or the Medi-Cal program eligibility information
32 with each other except as specifically authorized under
33 subdivision (n) of Section 14005.41 of the Welfare and
34 Institutions Code and other provisions of law.

35 (c) Effective July 1, 2005, the notifications and consent
36 referenced in subdivision (a) and the procedures set out in
37 subdivision (b) shall include the Healthy Families Program and
38 any relevant county- and local-sponsored health insurance
39 programs as necessary to implement Section 14005.41 of the
40 Welfare and Institutions Code.

(d) If a school district finds that the child is eligible for reduced price or paid meals under the National School Lunch Program and consent was provided as described in subdivision (b), the entity designated by the State Department of Health Services to make an accelerated determination shall notify the parent or guardian of the child's ineligibility for an accelerated Medi-Cal determination pursuant to Section 14005.41 of the Welfare and Institutions Code. The notification shall include information on other available health programs for which the child may be eligible.

(e) The notifications and consent referenced in subdivision (a) and the procedures set out in this section shall be modified as necessary to implement subdivisions (o) and (p) of Section 14005.41 of the Welfare and Institutions Code to allow children who meet the income eligibility requirements for participation in either the free or reduced price meal program to be processed for both an accelerated determination and ongoing medical assistance upon the consent and authorization of their parent or guardian.

SEC. 2.5. Section 123280 of the Health and Safety Code is amended to read:

123280. (a) The department may conduct a statewide program for providing nutritional food supplements to low-income pregnant women, low-income postpartum and lactating women, and low-income infants and children under five years of age, who have been determined to be at nutritional risk by a health professional, based on criteria established by the department. Any program established pursuant to this section shall do all of the following:

- (1) Comply with all the requirements of this article.
- (2) Be conducted only if a special project is authorized by inclusion in the Budget Act or notification is provided to the Legislature pursuant to Section 28 of the Budget Act, and federal funds are appropriated therefor.
- (3) Be known as the California Special Supplemental-Food Nutrition Program for Women, Infants, and Children.

(b) The department shall administer this article and shall adopt minimum standards and regulations as necessary.

SEC. 3. Section 123290 of the Health and Safety Code is amended to read:

1 123290. The department, under any program established
2 pursuant to this article, shall do all of the following:

3 (a) Establish guidelines to determine resource allocation
4 giving consideration to an area's nutritional need.

5 (b) Designate the counties within which a program will be
6 conducted, with the approval of those counties.

7 (c) Establish the minimum nutritional requirements for
8 recipients.

9 (d) Designate specific supplemental foods to meet the
10 minimum nutritional requirements for recipients.

11 (e) Develop and maintain a system for the delivery of
12 supplemental foods to recipients through the distribution of
13 supplemental foods designated in subdivision (d) and nutrition
14 coupons when other methods of delivery are impractical.

15 (f) (1) Develop and coordinate a smoking cessation
16 component of program operations, with consideration of local
17 agency plans, needs, and available tobacco education resources.

18 (2) In consultation with the directors of local agencies and
19 with other individuals with expertise in the field of smoking
20 cessation, identify and promulgate a strategy for smoking
21 cessation in the state plan of operation and administration of the
22 WIC program, including, but not limited to, all of the following:

23 (A) Designating an agency staff member to coordinate
24 smoking cessation efforts.

25 (B) Providing training on smoking cessation and tobacco
26 education to designated staff members of local agencies who are
27 responsible for counseling participants in the program.

28 (3) Develop and implement procedures to ensure that tobacco
29 use screening and education, including, but not limited to,
30 smoking cessation counseling and referrals where appropriate,
31 are offered to all participants.

32 (g) (1) Establish guidelines and criteria to be used by
33 participating local agencies, when determining recipient
34 eligibility, that require, in addition to a recipient being a
35 low-income pregnant woman, or a low-income postpartum and
36 lactating woman, or a low-income infant or child under five years
37 of age, that the recipient be at nutritional risk.

38 (2) A health professional on the staff of the local agency shall
39 determine if a person is at nutritional risk through a medical or
40 nutritional assessment. This determination may be based on

1 referral data submitted by a health professional not on the staff of
2 the local agency. The person's height or length and weight shall
3 be measured, and a hematological test for anemia, such as a
4 hemoglobin or hematocrit test, shall be performed. However, the
5 tests shall not be required for infants under six months of age. In
6 addition, the blood test shall not be required for children who
7 were determined to be within the normal range at their last
8 program certification. However, the blood test shall be performed
9 on the children at least once a year. A breastfeeding woman may
10 be certified if the child she is breastfeeding is determined to be at
11 nutritional risk and the woman meets the income eligibility
12 criteria.

13 (h) Operate the program as an adjunct to existing health
14 services, which shall include, but shall not be limited to, all of the
15 following:

16 (1) Assisting in efforts to develop an electronic application
17 system that utilizes the real-time electronic connection to the
18 state eligibility database developed pursuant to subdivision (b) of
19 Section 14011.7 of the Welfare and Institutions Code to allow
20 children to apply, with consent, for an accelerated determination
21 for the California Healthy Kids Program and ongoing medical
22 assistance, pursuant to Section 14005.43 of the Welfare and
23 Institutions Code, utilizing information provided for application
24 to the California WIC program.

25 (2) Establishing guidelines for information sharing under this
26 subdivision that protect confidentiality and ensure that
27 information is shared solely for purposes of outreach and
28 enrollment.

29 (3) Encouraging local agencies to participate in and utilize the
30 electronic application system.

31 (i) Seek federal funds to carry out this article.

32 SEC. 4. Section 12693.22 is added to the Insurance Code, to
33 read:

34 12693.22. Notwithstanding any other provision of law, the
35 board may implement changes to the program enacted pursuant
36 to the act that added this section during the 2005-06 Regular
37 Session of the Legislature only to the extent that funds are
38 appropriated for the purposes of that act in the annual Budget Act
39 or in another statute.

1 SEC. 5. Section 12693.415 is added to the Insurance Code, to
2 read:

3 12693.415. (a) The board shall consult and coordinate with
4 the State Department of Health Services, the California Healthy
5 Kids Expert Panel, and other stakeholders, in implementing an
6 electronic application system that utilizes the real-time electronic
7 connection to the state eligibility database developed pursuant to
8 subdivision (b) of Section 14011.7 of the Welfare and
9 Institutions Code and ~~adapted~~ *adopted* pursuant to Section
10 14005.43 of the Welfare and Institutions Code. The board shall
11 accept the electronic application provided for in Section
12 14005.43 of the Welfare and Institutions Code as an application
13 for the California Healthy Kids Program. The accelerated
14 determination shall be administered by the State Department of
15 Health Services to provide full-scope benefits pursuant to
16 Medi-Cal program requirements, at no cost to the applicant.

17 (b) This section shall become operative on ____.

18 (c) If the board determines that one or more amendments to
19 the State Child Health Plan are necessary to ensure full federal
20 financial participation in the provisions of this section, the board
21 shall prepare and submit requests for the plan amendments to the
22 federal government.

23 SEC. 6. Section 12693.444 is added to the Insurance Code, to
24 read:

25 12693.444. The board shall establish an additional tier for the
26 family contribution amount required for children with family
27 incomes between 250 and 300 percent of the federal poverty
28 level.

29 SEC. 7. Section 12693.445 is added to the Insurance Code, to
30 read:

31 12693.445. (a) An eligible child may be enrolled in the
32 program prior to payment of the required family contribution.
33 The board shall send a statement for the amount due after
34 enrollment.

35 (b) Families shall have the option to pay for one year of
36 Healthy Families premiums in advance in order to receive a
37 discount of 25 percent for the total year premium amount.

38 (c) The board shall expand and extend the number of premium
39 payment sites and shall consult with the California Healthy Kids

1 Expert Panel and local children's health initiatives and other
2 stakeholders on suggested additional payment site locations.

3 SEC. 8. ~~Section 12693.701 is added to the Insurance Code, to~~
4 ~~read:~~

5 ~~12693.701. (a) Notwithstanding any other provision of law,~~
6 ~~upon proof of current enrollment in the California Special~~
7 ~~Supplemental Food Program for Women, Infants, and Children~~
8 ~~(WIC) as provided for in Article 2 (commencing with Section~~
9 ~~123275) of Chapter 1 of Part 2 of Division 106 of the Health and~~
10 ~~Safety Code, the National School Lunch Program (NSLP) as~~
11 ~~provided for pursuant to Chapter 13 (commencing with Section~~
12 ~~1751) of Title 42 of the United States Code, the Food Stamp~~
13 ~~Program as provided for pursuant to Chapter 51 (commencing~~
14 ~~with Section 2011) of Title 7 of the United States Code, or any~~
15 ~~other children's programs that may be added in the future, as~~
16 ~~appropriate, at the recommendation of the California Healthy~~
17 ~~Kids Expert Panel and other stakeholders, the board shall use an~~
18 ~~income eligibility determination made by the appropriate~~
19 ~~program agency to establish that the applicant child meets the~~
20 ~~income guidelines of the program and, irrespective of differences~~
21 ~~in financial eligibility standards and methodologies, shall rely on~~
22 ~~the poverty level finding of the other program agency. Nothing in~~
23 ~~this subdivision or in Chapter 17 (commencing with Section~~
24 ~~12693.99) shall be construed to authorize denial of medical~~
25 ~~assistance to a child who, without the application of this~~
26 ~~subdivision or Chapter 17 (commencing with Section 12693.99),~~
27 ~~would qualify for such assistance or to relieve the program of the~~
28 ~~obligation to determine eligibility on any other grounds for a~~
29 ~~child found to be ineligible under this subdivision or Chapter 17~~
30 ~~(commencing with Section 12693.99).~~

31 ~~(b) The board shall seek approval of any amendments to the~~
32 ~~state plan necessary to implement this section, for purposes of~~
33 ~~funding under Title XXI of the Social Security Act (42 U.S.C.~~
34 ~~Sec. 1397aa et seq.). Notwithstanding any other law, this section~~
35 ~~shall be implemented only to the extent that federal financial~~
36 ~~participation is available and to the extent that federal financial~~
37 ~~participation supports coordination across the California Healthy~~
38 ~~Kids Insurance Program established pursuant to Chapter 17~~
39 ~~(commencing with Section 12693.99).~~

1 ~~SEC. 9. Section 12693.702 is added to the Insurance Code, to~~
2 ~~read:~~

3 ~~12693.702. It is the intent of the Legislature to enact~~
4 ~~legislation to provide affordable options for purchase of health~~
5 ~~care coverage to uninsured children with family incomes in~~
6 ~~excess of 300 percent of the federal poverty level. These options~~
7 ~~would include the opportunity to purchase coverage from the~~
8 ~~commercial health insurance options available in their area, and~~
9 ~~from the Healthy Families plans available pursuant to this part,~~
10 ~~except that the Healthy Families plans would be available for~~
11 ~~purchase at full premium cost.~~

12 ~~SEC. 10. Section 12693.703 is added to the Insurance Code,~~
13 ~~to read:~~

14 ~~12693.703. Notwithstanding paragraphs (4) and (6) of~~
15 ~~subdivision (a) of Section 12693.70, a child shall be an eligible~~
16 ~~child for purposes of Section 12693.70 if he or she meets the~~
17 ~~other requirements of Section 12693.70 and is in a family with an~~
18 ~~annual or monthly household income equal to or less than 300~~
19 ~~percent of the federal poverty level.~~

20 ~~SEC. 8. Section 12693.702 is added to the Insurance Code, to~~
21 ~~read:~~

22 ~~12693.702. (a) Notwithstanding any other provision of law,~~
23 ~~upon proof of current enrollment in the California Special~~
24 ~~Supplemental Nutrition Program for Women, Infants, and~~
25 ~~Children (WIC) as provided for in Article 2 (commencing with~~
26 ~~Section 123275) of Chapter 1 of Part 2 of Division 106 of the~~
27 ~~Health and Safety Code, the National School Lunch Program~~
28 ~~(NSLP) as provided for pursuant to Chapter 13 (commencing~~
29 ~~with Section 1751) of Title 42 of the United States Code, the~~
30 ~~Food Stamp Program as provided for pursuant to Chapter 51~~
31 ~~(commencing with Section 2011) of Title 7 of the United States~~
32 ~~Code, or any other children's programs that may be added in the~~
33 ~~future, as appropriate, at the recommendation of the California~~
34 ~~Healthy Kids Expert Panel and other stakeholders, the board~~
35 ~~shall use an income eligibility determination made by the~~
36 ~~appropriate program agency to establish that the applicant child~~
37 ~~meets the income guidelines of the program and, irrespective of~~
38 ~~differences in financial eligibility standards and methodologies,~~
39 ~~shall rely on the poverty level finding of the other program~~
40 ~~agency. Nothing in this subdivision or in Chapter 17~~

(commencing with Section 12693.99) shall be construed to authorize denial of medical assistance to a child who, without the application of this subdivision or Chapter 17 (commencing with Section 12693.99), would qualify for such assistance or to relieve the program of the obligation to determine eligibility on any other grounds for a child found to be ineligible under this subdivision or Chapter 17 (commencing with Section 12693.99).

(b) The board shall seek approval of any amendments to the state plan necessary to implement this section, for purposes of funding under Title XXI of the Social Security Act (42 U.S.C. Sec. 1397aa et seq.). Notwithstanding any other law, this section shall be implemented only to the extent that federal financial participation is available and to the extent that federal financial participation supports coordination across the California Healthy Kids Insurance Program established pursuant to Chapter 17 (commencing with Section 12693.99).

SEC. 9. Section 12693.703 is added to the Insurance Code, to read:

12693.703. It is the intent of the Legislature to enact legislation to provide affordable options for purchase of health care coverage to uninsured children with family incomes in excess of 300 percent of the federal poverty level. These options would include the opportunity to purchase coverage from the commercial health insurance options available in their area, and from the Healthy Families plans available pursuant to this part, except that the Healthy Families plans would be available for purchase at full premium cost.

SEC. 10. Section 12693.704 is added to the Insurance Code, to read:

12693.704. Notwithstanding paragraphs (4) and (6) of subdivision (a) of Section 12693.70, a child shall be an eligible child for purposes of Section 12693.70 if he or she meets the other requirements of Section 12693.70 and is in a family with an annual or monthly household income equal to or less than 300 percent of the federal poverty level.

~~SEC. 10.~~

SEC. 10.5. Section 12693.98 of the Insurance Code is amended to read:

12693.98. (a) (1) The Medi-Cal-to-Healthy Families Seamless Bridge Benefits Program is hereby established to

1 provide any child who meets the criteria set forth in subdivision
2 (b) with continuing health care benefits in order to provide time
3 for a Healthy Families Program eligibility determination to be
4 made.

5 (2) The Medi-Cal-to-Healthy Families *Seamless* Bridge
6 Benefits Program shall be administered by the board.

7 (b) (1) Any child who meets all of the following requirements
8 shall be eligible for health benefits under the Healthy-Family
9 Families Program:

10 (A) He or she has been receiving, but is no longer eligible for,
11 full-scope Medi-Cal benefits without a share of cost.

12 (B) He or she is eligible for full-scope Medi-Cal benefits with
13 a share of cost.

14 (C) He or she is under 19 years of age at the time he or she is
15 no longer eligible for full-scope Medi-Cal benefits without a
16 share of cost.

17 (D) He or she has family income at or below 300 percent of
18 the federal poverty level.

19 (E) He or she is not otherwise excluded under the definition of
20 targeted low-income child under subsections (b)(1)(B)(ii),
21 (b)(1)(C), and (b)(2) of Section 2110 of the Social Security Act
22 (42 U.S.C. Secs. 1397jj(b)(1)(B)(ii), 1397jj(b)(1)(C), and
23 1397jj(b)(2)).

24 (2) The benefits under this chapter shall begin on the first day
25 of the month following the last day of the receipt of benefits
26 without a share of cost.

27 (c) The income methodology for determining a child's family
28 income, as required by paragraph (1) of subdivision (b) shall be
29 the same methodology used in determining a child's eligibility
30 for the full scope of Medi-Cal benefits.

31 (d) The scope of Healthy Families benefits provided under this
32 chapter shall be identical to the scope of benefits that the child
33 was receiving under the Medi-Cal program without a share of
34 cost.

35 (e) The Healthy Families benefits provided under this chapter
36 shall only be made available through a Medi-Cal provider or
37 under a Medi-Cal managed care arrangement or contract.

38 ~~(f)~~

39 ~~This~~

1 (f) This section shall become inoperative if an unappealable
2 court decision or judgment determines that any either of the
3 following apply:

4 (1) The provisions of this section are unconstitutional under
5 the United States Constitution or the California Constitution.

6 (2) The provisions of this section do not comply with the State
7 Children's Health Insurance Program, as set forth in Title XXI of
8 the Social Security Act.

9 (g) If the State Child Health Insurance Program waiver
10 described in Section 12693.755 is approved, and at the time the
11 waiver is implemented, the benefits described in this section shall
12 also be available to persons who meet the eligibility requirements
13 of the program and are parents of, or, as defined by the board,
14 adults responsible for, children enrolled to receive coverage
15 under this part or enrolled to receive full-scope Medi-Cal
16 services with no share of cost.

17 SEC. 11. Section 12693.981 of the Insurance Code is
18 amended to read:

19 12693.981. (a) (1) The Healthy Families-to-Medi-Cal
20 Seamless Bridge Benefits Program is hereby established to
21 provide any person enrolled for coverage under this part who
22 meets the criteria set forth in subdivision (b) with continuing
23 health care benefits in order to provide time for a Medi-Cal
24 eligibility determination to be made.

25 (2) The Healthy Families-to-Medi-Cal Seamless Bridge
26 Benefits Program shall be administered by the board.

27 (b) (1) Any person who meets all of the following
28 requirements shall be eligible for Medi-Cal benefits:

29 (A) He or she has been receiving, but is no longer eligible for,
30 benefits under the Healthy Families Program.

31 (B) He or she appears to be income eligible for full-scope
32 Medi-Cal benefits without a share of cost.

33 (2) The benefits under this chapter shall begin on the first day
34 of the month following the last day of the person's eligibility for
35 benefits under the Healthy Families Program.

36 (c) The scope of Medi-Cal benefits provided under this
37 chapter shall be identical to the scope of benefits that the person
38 was receiving under the Healthy Families Program.

39 (d) The board shall not require the payment of premiums by
40 persons receiving bridge benefits under this section.

(e) This section shall become inoperative if an unappealable court decision or judgment determines that either of the following apply:

(1) The provisions of this section are unconstitutional under the United States Constitution or the California Constitution.

(2) The provisions of this section do not comply with the State Children's Health Insurance Program, as set forth in Title XXI of the federal Social Security Act.

SEC. 12. Section 12693.983 is added to the Insurance Code, to read:

12693.983. The board shall adopt regulations to implement the Medi-Cal to Healthy Families Accelerated Enrollment program established under Section 14011.65 of the Welfare and Institutions Code. If the board determines that one or more amendments to the State Child Health Plan are necessary to ensure full federal financial participation in the provisions of the program, the board shall prepare and submit requests for the plan amendments to the federal government.

~~SEC. 13. Chapter 17 (commencing with Section 12693.99) is added to Part 6.5 of Division 3 of the Insurance Code, to read:~~

~~CHAPTER 17. CALIFORNIA HEALTHY KIDS PROGRAM~~

~~12693.99. (a) The California Healthy Kids Insurance Program is hereby created. The Managed Risk Medical Insurance Board and the State Department of Health Services shall jointly administer the California Healthy Kids Insurance Program that provides health care coverage for all eligible children, which shall consist and incorporate by this reference all of the requirements, protections, and provisions of the California Healthy Families Insurance Program (Part 6.2 (commencing with Section 12693) of Division 7 of the Insurance Code) and of the Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code) applicable to the poverty level Medi-Cal program for children ages 0 to 18, as modified by the provisions of this chapter. The Healthy Families and Medi-Cal programs shall provide health insurance to children who qualify for the California Healthy Kids Insurance Program under this chapter. The relevant provisions of the Medi-Cal program (Chapter 7 (commencing with Section~~

1 14000) of Part 3 of Division 9 of the Welfare and Institutions
2 Code), including, but not limited to, the confidentiality and
3 privacy protections set forth in Section 14100.2 of the Welfare
4 and Institutions Code, apply to all children applying for and
5 enrolled in the California Healthy Kids Insurance Program.

6 (b) ~~The administering agencies shall operate the California~~
7 ~~Healthy Kids Insurance Program in a coordinated and seamless~~
8 ~~manner with respect to the persons intended to be covered. Both~~
9 ~~administering agencies shall coordinate enrollment, renewal,~~
10 ~~eligibility, and outreach, and shall assign clear lines of~~
11 ~~responsibility for all associated agency activities with~~
12 ~~enforceable accountability. A child enrolled in either the Healthy~~
13 ~~Families Program or the Medi-Cal program shall be deemed to~~
14 ~~be enrolled in the California Healthy Kids Insurance Program. It~~
15 ~~is the intent of the Legislature that from the child's perspective~~
16 ~~there shall only be a single program, even if the details are~~
17 ~~handled by two programs, agencies, and funding sources.~~

18 (c) ~~As used in this chapter, "California Healthy Kids Insurance~~
19 ~~Program" shall be deemed to refer jointly to the Healthy Families~~
20 ~~Program and the portion of the Medi-Cal program that provides~~
21 ~~health care coverage to children 18 years of age or younger, and~~
22 ~~"administering agencies" shall be deemed to refer to the board or~~
23 ~~department, as applicable. Implementation of duties and~~
24 ~~responsibilities of the California Healthy Kids Insurance Program~~
25 ~~shall be the responsibility of the board, to the extent that the~~
26 ~~duties and responsibilities relate to the Healthy Families~~
27 ~~Program, or the State Department of Health Services, to the~~
28 ~~extent that the duties and responsibilities relate to the Medi-Cal~~
29 ~~program. Implementation of duties and responsibilities that~~
30 ~~require the participation of both agencies shall be done jointly, as~~
31 ~~coordinated between them by agreement.~~

32 12693.9901. (a) ~~The California Healthy Kids Expert Panel is~~
33 ~~hereby established to guide the board and the State Department~~
34 ~~of Health Services in the design and implementation of the~~
35 ~~California Healthy Kids Insurance Program and to identify issues~~
36 ~~and solutions to ensure efficient and effective ongoing~~
37 ~~operations, particularly relating to the coordination among~~
38 ~~Medi-Cal and Healthy Families and local outreach and~~
39 ~~enrollment partners.~~

~~(b) The California Healthy Kids Expert Panel shall advise the board and the State Department of Health Services on the California Healthy Kids Insurance Program. The panel shall have broad representation from health care providers, health plans, several consumer advocates, including those representing specific populations, local children's health initiatives, school and business communities, county agencies, and other stakeholders. The board and the department shall meet together and with the panel regularly, holding sessions in public twice a year to report on the state of the California Healthy Kids Insurance Program, to discuss operational issues, and to accept public comments. Nominations for the panel members shall be made by the Assembly, the Senate, and the Governor, each choosing a certain number of members.~~

~~(c) The Managed Risk Medical Insurance Board shall include as a member a representative from the California Healthy Kids Expert Panel.~~

~~12693.9902. The California Health Kids Expert Panel shall regularly evaluate and make recommendations to ensure smooth and effective enrollment processes in the California Healthy Kids Insurance Program, including, but not limited to, the Single Point of Entry, Healthy Families Program and county Medi-Cal eligibility determinations, and local enrollment activities. Recommendations shall emphasize improvements and standards to ensure that children can easily enroll in a timely manner, enrollment determinations are accurate with a clear and timely appeals process, enrollment processes are well coordinated between local, county, and centralized systems, and children are able to retain their coverage. The governing agencies shall review, adopt, and implement these recommendations.~~

~~12693.9903. It is the intent of the Legislature to enact legislation that will authorize applications for children received by the California Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) pursuant to Section 123290 of the Health and Safety Code, with the consent of the applicant, to serve as applications for an accelerated determination and ongoing coverage under the California Healthy Kids Insurance Program.~~

~~12693.9904. It is the intent of the Legislature to enact legislation to authorize the California Healthy Kids Insurance~~

1 Program to accept proof of enrollment in any of the following
2 programs as adequate to establish a child's income eligibility for
3 the California Healthy Kids Insurance Program:

4 (a) The California Special Supplemental Nutrition Program for
5 Women, Infants, and Children (WIC), pursuant to Article 2
6 (commencing with Section 123275) of Chapter 1 of Part 2 of
7 Division 106 of the Health and Safety Code.

8 (b) The School Lunch Program, pursuant to Section 49557.2
9 of the Education Code.

10 (c) The Food Stamps Program, pursuant to Section 18925 of
11 the Welfare and Institutions Code.

12 12693.9905. It is the intent of the Legislature to enact
13 legislation to authorize the California Healthy Kids Insurance
14 Program to establish a person's eligibility for the program by
15 accepting a determination of that person's income level
16 (percentage of federal poverty level) from any of the programs
17 set out in Section 12693.9904 and using it to determine
18 associated matters such as cost sharing and federal match.

19 12693.9906. In determining eligibility for the California
20 Healthy Kids Insurance Program, the department and the board
21 shall request documentation and shall verify the information only
22 to the extent necessary to determine eligibility and only to the
23 extent required by federal law.

24 12693.9908. (a) From funds available for that purpose, the
25 administering agencies shall award local enrollment investment
26 grants for local strategies involving California Healthy Kids
27 Insurance Program enrollment, retention, and utilization of health
28 care. Grants shall be made available to existing and new
29 countywide or regional children's health initiative coalitions that
30 include an array of local organizations and agencies, such as First
31 5 Commissions, health plans and county organized health
32 systems, schools, child care providers, community-based and
33 faith-based organizations, clinics, health care providers, local
34 unions, local businesses, and county social service and health
35 agencies. For purposes of applying for and receiving these grants,
36 the children's health initiative coalitions shall designate a fiscal
37 agent. Local and regional community-based organizations shall
38 also be eligible for these grants, particularly in regions where
39 comprehensive coalitions are not established. Supplemental grant
40 amounts shall be available for countywide coalitions or regions

1 that contribute local funding for enrollment, retention, and access
2 strategies through the coalition.

3 ~~(b) The Californians Healthy Kids Expert Panel shall develop~~
4 ~~recommendations to the California Healthy Kids Insurance~~
5 ~~Program for the specific objectives, criteria, and structure of the~~
6 ~~local enrollment investment grants, with the principal goals of~~
7 ~~promoting local innovations and strategies for increasing~~
8 ~~children's health insurance enrollment and retention and health~~
9 ~~care access. The governing agencies of California Healthy Kids~~
10 ~~Insurance Program shall implement these recommendations and~~
11 ~~consult with the expert panel on the ongoing operation of these~~
12 ~~grants.~~

13 ~~(c) Each local children's health initiative coalition or~~
14 ~~organization awarded a grant shall submit a plan every other year~~
15 ~~to the board of its proposed strategies to promote outreach,~~
16 ~~enrollment, retention in health insurance, and access to health~~
17 ~~care. These activities may include, but are not limited to, the~~
18 ~~following: one application technology, application assistance~~
19 ~~training and certification, a system for administering enrollment~~
20 ~~fees to application assistants, grants to community-based~~
21 ~~organizations for enrollment and retention assistance, application~~
22 ~~assistance at schools, implementing "express lane" strategies~~
23 ~~through school lunch, food stamps, WIC, and other programs,~~
24 ~~health care access education, coordinated retention strategies, "no~~
25 ~~wrong door" strategies, and improvement to data collection and~~
26 ~~reporting systems.~~

27 ~~(d) Local children's health initiative coalitions shall submit a~~
28 ~~plan for an interim evaluation after one year and conduct a full~~
29 ~~evaluation after two years. The evaluation shall include outcome~~
30 ~~measures such as the number of children enrolled in health~~
31 ~~insurance, the percentage of children retained after one year, if~~
32 ~~available, the number of children receiving assistance who were~~
33 ~~denied coverage and the reasons why, and documented~~
34 ~~performance improvements in the number of children accessing~~
35 ~~and remaining in health care coverage. The evaluation should~~
36 ~~document problems children face in enrolling, staying enrolled,~~
37 ~~or accessing care, with recommendations for improving the~~
38 ~~California Healthy Kids Insurance Program.~~

39 ~~12693.9909. (a) The California Healthy Kids Insurance~~
40 ~~Program shall enable local children's health initiatives to create~~

1 ~~their own premium hardship funds or sponsorship programs to~~
2 ~~help children in their region to pay required premiums for~~
3 ~~enrollment in the California Healthy Kids Insurance Program.~~
4 ~~The governing agencies shall develop a mechanism for~~
5 ~~communicating with local children's health initiative coalitions,~~
6 ~~with the families consent, about children's premium payments.~~

7 ~~(b) The California Healthy Kids Insurance Program shall~~
8 ~~enable counties and regions of multiple counties to have the~~
9 ~~option to buy or partially subsidize Healthy Families coverage~~
10 ~~for children with family incomes above 300 percent of the~~
11 ~~federal poverty level and to seek federal financial participation,~~
12 ~~to the extent available.~~

13 ~~12693.9910. The California Healthy Kids Insurance Program~~
14 ~~shall accept, review, and approve within broad standards local~~
15 ~~children's health initiative demonstration projects to test new~~
16 ~~innovations in enrollment technology, integrated insurance~~
17 ~~programs, enrollment and retention processes and strategies, and~~
18 ~~voluntary employer coverage participation strategies.~~

19 ~~12693.9911. The California Healthy Kids Insurance Program,~~
20 ~~in conjunction with local children's health initiatives, shall~~
21 ~~develop strategies for partnerships between the program and the~~
22 ~~local children's health initiatives to help children retain their~~
23 ~~California Healthy Kids Insurance Program health care coverage,~~
24 ~~including processes for sharing address updates and for notifying~~
25 ~~local children's health initiatives when children in their area are~~
26 ~~at risk of losing coverage.~~

27 ~~12693.9912. (a) The California Healthy Kids Insurance~~
28 ~~Program, in consultation with the California Healthy Kids Expert~~
29 ~~Panel, shall modify the Healthy Families and Medi-Cal~~
30 ~~children's forms and processes as necessary to seek family~~
31 ~~consent to transfer information among the Medi-Cal and Healthy~~
32 ~~Families programs.~~

33 ~~(b) The California Healthy Kids Insurance Program shall~~
34 ~~establish, in consultation with the California for Healthy Kids~~
35 ~~Expert Panel and other stakeholders, simplified annual renewal~~
36 ~~forms for children enrolled in the Healthy Families Program and~~
37 ~~for children and their families enrolled in the Medi-Cal program,~~
38 ~~including forms prepopulated with the child's eligibility~~
39 ~~information and a simple check-off list for families to identify~~
40 ~~whether each eligibility information item remains correct. The~~

renewal form shall request families to provide and certify with their signature any changes to the prepopulated eligibility information form. The California Healthy Kids Insurance Program shall establish a process to allow families to renew their child's coverage by telephone.

(c) The California Healthy Kids Insurance Program shall, in consultation with the California Healthy Kids Expert Panel, develop strategies to notify families of their child's renewal date including notifications on regular communications such as premium payment statements or on insurance cards.

(d) The California Healthy Kids Insurance Program shall establish a mechanism to implement federal Medicaid law and state rules for the Medi-Cal program and the Healthy Families Program with regard to educating families about the opportunity to transfer to lower-premium levels or to no-cost Medi-Cal if the child's income eligibility changes, and implement provisions of existing law that provide that a child should be enrolled in the most beneficial program for which the child is eligible. The California Healthy Kids Insurance Program shall use the seamless bridge coverage programs in Sections 12693.98 and 12693.981 to transfer children who identify themselves as being eligible for another health insurance category, such as a lower-premium tier under Healthy Families or no-cost Medi-Cal, into another insurance program. Lower premiums or no premium eligibility tiers shall begin at the point the child requests the determination.

(e) The California Healthy Kids Insurance Program shall offer an online Medi-Cal health plan/health care arrangement selection system coordinated with Healthy Families health plan selection system, in consultation with the California Healthy Kids Expert Panel, counties, consumer advocates, and other stakeholders. The program shall develop and implement a coordinated listing of Medi-Cal program health plans, county organized health systems, fee-for-service arrangements for children, and Healthy Families Program health plans. This coordinated listing shall include provider networks and a provider locator system to identify for families under each program which plans include their current or preferred providers. The coordinated listing shall be updated regularly and shall be available through the California Healthy

1 Kids Insurance Program Web site and Healthy Families Program
2 online provider locator.

3 ~~12693.9913. It is the intent of the Legislature to enact~~
4 ~~legislation to authorize the California Healthy Kids Insurance~~
5 ~~Program to develop health care coverage options for persons of~~
6 ~~the ages of 19 and 20 who are ineligible for the Healthy Families~~
7 ~~or Medi-Cal programs. These coverage options may include~~
8 ~~statewide or local demonstration programs, and may consist of an~~
9 ~~option for the person (or a parent on the person's behalf) to~~
10 ~~purchase California Healthy Kids Insurance Program coverage at~~
11 ~~full premium cost, or an option for the person to maintain~~
12 ~~coverage through continuation coverage when coverage would~~
13 ~~otherwise terminate due to the person's age.~~

14 ~~12693.9914. All children who reside in this state, who intend~~
15 ~~to continue to reside in this state, and who meet the age, income,~~
16 ~~and other categorical eligibility requirements of either the~~
17 ~~Healthy Families or Medi-Cal program shall be eligible for~~
18 ~~coverage under the California Healthy Kids Program, including~~
19 ~~those children for whom federal financial participation is not~~
20 ~~available under Title XXI of the Social Security Act (42 U.S.C.~~
21 ~~Sec. 1396 et seq.) or under Title XIX of the Social Security Act~~
22 ~~(42 U.S.C. Sec. 1397aa et seq.) for full scope coverage.~~

23 ~~12693.9915. Nothing in this chapter shall be construed to~~
24 ~~authorize denial of medical assistance under the Medi-Cal~~
25 ~~program (Chapter 7 (commencing with Section 14000) of Part 3~~
26 ~~of Division 9 of the Welfare and Institutions Code) to a child~~
27 ~~who, without the application of this chapter would qualify for~~
28 ~~such assistance or to relieve the California Healthy Kids~~
29 ~~Insurance Program of the obligation to determine eligibility on~~
30 ~~all available other grounds for a child found to be ineligible for~~
31 ~~the Medi-Cal program as part of the California Healthy Kids~~
32 ~~Insurance Program under this chapter.~~

33 ~~12693.9916. During the planning and development phase~~
34 ~~before the statewide California Healthy Kids Insurance Program~~
35 ~~is implemented, the local children's health insurance programs~~
36 ~~and local children's health initiative coalitions shall continue to~~
37 ~~highlight best practices that will guide the development and~~
38 ~~implementation of the statewide California Healthy Kids~~
39 ~~Insurance Program. During this planning and development phase,~~
40 ~~the administering agencies and Secretary of the California Health~~

1 and Human Services Agency shall coordinate local children's
2 health insurance programs and local children's health initiative
3 coalitions with state and federally funded programs such as the
4 emergency Medi-Cal program and the Child Health Disability
5 and Prevention program so that local funds do not replace but
6 augment existing state and federally funded programs and
7 services. Such coordination shall begin upon enactment.

8 The local children's health insurance programs shall pilot
9 financing options that seek to leverage state and federal funding
10 and help shape the statewide California Healthy Kids Insurance
11 Program financing strategy. If funds are available during this
12 planning and development phase, the state may provide local
13 children's health insurance programs that meet certain eligibility,
14 benefit, and cost-sharing standards with funds to match local
15 funding to cover premiums based on a percentage of the Healthy
16 Families Community Provider Plan rate.

17 During the transition phase, which is the period after
18 implementation of the California Healthy Kids Insurance
19 Program has begun but before the program is fully implemented,
20 the state shall approve local pilot programs proposed and created
21 by local children's health insurance programs and local
22 children's health initiative coalitions that either have local
23 financing to support a local children's coverage expansion
24 program or are seeking a children's coverage expansion through
25 the Healthy Families Program or the Medi-Cal program. These
26 local pilot programs would qualify for phased-in state funds,
27 subject to availability, and for federal funds, if applicable, to
28 match local funding. The pilot programs that are based on local
29 children's coverage expansion programs shall meet certain
30 standards, including eligibility, comprehensive benefits and
31 affordable cost sharing.

32 Local pilot programs shall model features such as simplified,
33 automated, and coordinated enrollment and retention processes;
34 integrated safety net or local providers, employer participation
35 opportunities, and leveraged funding for children's coverage
36 programs.

37 In addition, local programs with local funding may pilot
38 broader coverage expansions, such as young adults and higher
39 income children and adults. The pilot programs shall be tracked
40 and independently evaluated with private funding to identify best

practices for implementation in both urban and rural areas. The administering agencies in consultation with the California Healthy Kids Expert Panel shall consider the pilot project findings in making recommendations on implementation features of the California Healthy Kids Insurance Program. Once the California Healthy Kids Insurance Program is operational statewide, there shall be a period of time during which local pilot programs, subject to specified criteria, will receive state matching funds while transitioning to the statewide program. Children enrolled in or eligible for local children's health programs shall be eligible for either the Medi-Cal program or the Healthy Families Program, as authorized in this chapter. The transition shall provide an automatic roll-over for children enrolled in the local children's health insurance programs into their existing health plan under the Medi-Cal program or the Healthy Families Program, if the health plan is a participating plan in the program under which the child qualifies. For good cause, or upon the child's next annual renewal, children may switch plans or otherwise remain in their existing plan. After the transition period and once the California Healthy Kids Insurance Program is fully operational statewide, counties have the option to support coverage under the California Healthy Kids Program, but county funding shall not be required to support children's coverage under the California Healthy Kids Insurance Program.

12693.9917. It is the intent of the Legislature to develop strategies to promote and support voluntary employer participation in children's health care coverage, relative to children of employees. These employer participation options shall be designed to offer health insurance to children through arrangements that are affordable and efficient for employers and families. Particular attention shall be paid to how new opportunities for employer participation would interact with current practices and patterns in employer sponsored dependent coverage.

12693.9918. (a) It is the intent of the Legislature to implement the California Healthy Kids Insurance Program over several years to provide adequate time to develop the statewide policies and infrastructure, to transition effectively from local children's health insurance efforts to a statewide program, and to phase in implementation consistent with available resources.

1 ~~(b) It is the intent of the Legislature that in the first two years~~
2 ~~of implementation, the California Healthy Kids Expert Panel will~~
3 ~~be established, program policies and systems will be developed~~
4 ~~and implemented, and pilot programs will begin, subject to~~
5 ~~available resources.~~

6 ~~(c) It is the intent of the Legislature that in the third year of~~
7 ~~implementation, all enrollment innovations and changes should~~
8 ~~be operational and California Healthy Kids Insurance Program~~
9 ~~enrollment will be open for newly eligible children. Newly~~
10 ~~eligible children may be phased in according to age consistent~~
11 ~~with available resources.~~

12 ~~(d) It is the intent of the Legislature that financing for the~~
13 ~~California Healthy Kids Insurance Program will be derived from~~
14 ~~any of the following sources:~~

15 ~~(1) Currently available federal matching funds for children~~
16 ~~eligible for but not enrolled in the Medi-Cal and Healthy~~
17 ~~Families programs.~~

18 ~~(2) Available federal matching dollars for children with a~~
19 ~~family income of more than 250 percent of the federal poverty~~
20 ~~level.~~

21 ~~(3) Family contributions toward premiums.~~

22 ~~(4) Contributions from employers who chose to participate in~~
23 ~~the California Healthy Kids Insurance Program.~~

24 ~~(5) During the transition period while the California Healthy~~
25 ~~Kids Insurance Program is being developed and implemented,~~
26 ~~funds from local children's health initiatives with pilot projects to~~
27 ~~operate local children's health insurance programs or to buy into~~
28 ~~the Medi-Cal or Healthy Families programs.~~

29 ~~(e) The state already provides some coverage and pays for~~
30 ~~services for uninsured children through, for example, the Child~~
31 ~~Health and Disability Prevention (CHDP) Program, the CHDP~~
32 ~~Gateway Program, emergency Medi-Cal coverage, and no~~
33 ~~share-of-cost Medi-Cal coverage. It is the intent of the~~
34 ~~Legislature that these programs be maintained under California~~
35 ~~Healthy Kids Insurance Program as safety net financing. For the~~
36 ~~purposes of financing the California Healthy Kids Insurance~~
37 ~~Program, the costs attributable to California Healthy Kids~~
38 ~~Insurance Program coverage are those additional costs beyond~~
39 ~~the funding for these existing programs.~~

~~12693.9919. Notwithstanding any other provision of law, this chapter may only be implemented to the extent that funds are appropriated for purposes of the chapter in the annual Budget Act or in another statute.~~

SEC. 13. Chapter 17 (commencing with Section 12693.99) is added to Part 6.2 of Division 2 of the Insurance Code, to read:

CHAPTER 17. CALIFORNIA HEALTHY KIDS INSURANCE
PROGRAM

12693.99. (a) The California Healthy Kids Insurance Program is hereby created. The Managed Risk Medical Insurance Board and the State Department of Health Services shall jointly administer the California Healthy Kids Insurance Program that provides health care coverage for all eligible children, which shall consist and incorporate by this reference all of the requirements, protections, and provisions of the California Healthy Families Insurance Program (Part 6.2 (commencing with Section 12693) of Division 2 of the Insurance Code) and of the Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code) applicable to the poverty level Medi-Cal program for children ages 0 to 18, as modified by the provisions of this chapter. The Healthy Families and Medi-Cal programs shall provide health insurance to children who qualify for the California Healthy Kids Insurance Program under this chapter. The relevant provisions of the Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code), including, but not limited to, the confidentiality and privacy protections set forth in Section 14100.2 of the Welfare and Institutions Code, apply to all children applying for and enrolled in the California Healthy Kids Insurance Program.

(b) The administering agencies shall operate the California Healthy Kids Insurance Program in a coordinated and seamless manner with respect to the persons intended to be covered. Both administering agencies shall coordinate enrollment, renewal, eligibility, and outreach, and shall assign clear lines of responsibility for all associated agency activities with enforceable accountability. A child enrolled in either the Healthy

Families Program or the Medi-Cal program shall be deemed to be enrolled in the California Healthy Kids Insurance Program. It is the intent of the Legislature that from the child's perspective there shall only be a single program, even if the details are handled by two programs, agencies, and funding sources.

(c) As used in this chapter, "California Healthy Kids Insurance Program" shall be deemed to refer jointly to the Healthy Families Program and the portion of the Medi-Cal program that provides health care coverage to children 18 years of age or younger, and "administering agencies" shall be deemed to refer to the board or department, as applicable. Implementation of duties and responsibilities of the California Healthy Kids Insurance Program shall be the responsibility of the board, to the extent that the duties and responsibilities relate to the Healthy Families Program, or the State Department of Health Services, to the extent that the duties and responsibilities relate to the Medi-Cal program. Implementation of duties and responsibilities that require the participation of both agencies shall be done jointly, as coordinated between them by agreement.

12693.9901. (a) The California Healthy Kids Expert Panel is hereby established to guide the board and the State Department of Health Services in the design and implementation of the California Healthy Kids Insurance Program and to identify issues and solutions to ensure efficient and effective ongoing operations, particularly relating to the coordination among Medi-Cal and Healthy Families and local outreach and enrollment partners.

(b) The California Healthy Kids Expert Panel shall advise the board and the State Department of Health Services on the California Healthy Kids Insurance Program. The panel shall consist of 15 members with expertise in children's health, and shall include representatives from health care providers, health plans, consumer advocates, including those representing specific populations, local children's health initiatives, school and business communities, county agencies, and other stakeholders. The Senate Committee on Rules, the Speaker of the Assembly, and the Governor shall each appoint five members to the panel. The panel shall meet at least quarterly, and shall reside in the State Department of Health Services.

1 (c) *The Managed Risk Medical Insurance Board shall be*
2 *increased by one member, who shall be a member of the*
3 *California Healthy Kids Expert Panel, selected by the members*
4 *of the panel.*

5 12693.9902. *The California Healthy Kids Expert Panel shall*
6 *evaluate and make recommendations to ensure smooth and*
7 *effective enrollment processes in the California Healthy Kids*
8 *Insurance Program, including, but not limited to, the Single*
9 *Point of Entry, Healthy Families Program and county Medi-Cal*
10 *eligibility determinations, and local enrollment activities.*
11 *Recommendations shall emphasize improvements and standards*
12 *to ensure that children can easily enroll in a timely manner,*
13 *enrollment determinations are accurate with a clear and timely*
14 *appeals process, enrollment processes are well coordinated*
15 *between local, county, and centralized systems, and children are*
16 *able to retain their coverage. The governing agencies shall*
17 *review, respond to, and consider implementation of the panel's*
18 *recommendations.*

19 12693.9906. *In determining eligibility for the California*
20 *Healthy Kids Insurance Program, the department and the board*
21 *shall request documentation and shall verify the information only*
22 *to the extent necessary to determine eligibility and only to the*
23 *extent required by federal law.*

24 12693.9908. (a) *From funds available for that purpose, the*
25 *administering agencies shall award local enrollment investment*
26 *grants for local strategies involving California Healthy Kids*
27 *Insurance Program enrollment, retention, and utilization of*
28 *health care. Grants shall be made available to existing and new*
29 *countywide or regional children's health initiative coalitions that*
30 *include an array of local organizations and agencies, such as*
31 *First 5 California Commissions, health plans and county*
32 *organized health systems, schools, child care providers,*
33 *community-based and faith-based organizations, clinics, health*
34 *care providers, local unions, local businesses, and county social*
35 *service and health agencies. For purposes of applying for and*
36 *receiving these grants, the children's health initiative coalitions*
37 *shall designate a fiscal agent. Local and regional*
38 *community-based organizations shall also be eligible for these*
39 *grants, particularly in regions where comprehensive coalitions*
40 *are not established. Supplemental grant amounts shall be*

1 available for countywide coalitions or regions that contribute
2 local funding for enrollment, retention, and access strategies
3 through the coalition.

4 (b) The California Healthy Kids Expert Panel shall develop
5 recommendations to the California Healthy Kids Insurance
6 Program for the specific objectives, criteria, and structure of the
7 local enrollment investment grants, with the principal goals of
8 promoting local innovations and strategies for increasing
9 children's health insurance enrollment and retention and health
10 care access. The governing agencies of the California Healthy
11 Kids Insurance Program shall review, respond to, and consider
12 implementation of the panel's recommendations.

13 (c) Each local children's health initiative coalition or
14 organization awarded a grant shall submit a plan every other
15 year to the board of its proposed strategies to promote outreach,
16 enrollment, retention in health insurance, and access to health
17 care. These activities may include, but are not limited to, the
18 following: one application technology, application assistance
19 training and certification, a system for administering enrollment
20 fees to application assistants, grants to community-based
21 organizations for enrollment and retention assistance,
22 application assistance at schools, implementing "express lane"
23 strategies through school lunch, food stamps, WIC, and other
24 programs, health care access education, coordinated retention
25 strategies, "no wrong door" strategies, and improvement to data
26 collection and reporting systems.

27 (d) Local children's health initiative coalitions shall submit a
28 plan for an interim evaluation after one year and conduct a full
29 evaluation after two years. The evaluation shall include outcome
30 measures such as the number of children enrolled in health
31 insurance, the percentage of children retained after one year, if
32 available, the number of children receiving assistance who were
33 denied coverage and the reasons why, and documented
34 performance improvements in the number of children accessing
35 and remaining in health care coverage. The evaluation should
36 document problems children face in enrolling, staying enrolled,
37 or accessing care, with recommendations for improving the
38 California Healthy Kids Insurance Program.

39 12693.9909. (a) The California Healthy Kids Insurance
40 Program shall enable local children's health initiatives to create

1 *their own premium hardship funds or sponsorship programs to*
2 *help children in their region to pay required premiums for*
3 *enrollment in the California Healthy Kids Insurance Program.*
4 *The governing agencies shall develop a mechanism for*
5 *communicating with local children's health initiative coalitions,*
6 *with the families consent, about children's premium payments.*

7 *(b) The California Healthy Kids Insurance Program shall*
8 *enable counties and regions of multiple counties to have the*
9 *option to buy or partially subsidize Healthy Families program*
10 *coverage for children with family incomes above 300 percent of*
11 *the federal poverty level and to seek federal financial*
12 *participation, to the extent available.*

13 *12693.9910. The California Healthy Kids Insurance Program*
14 *shall accept, review, and approve within broad standards local*
15 *children's health initiative demonstration projects to test new*
16 *innovations in enrollment technology, integrated insurance*
17 *programs, enrollment and retention processes and strategies,*
18 *and voluntary employer coverage participation strategies.*

19 *12693.9911. The California Healthy Kids Insurance*
20 *Program, in conjunction with local children's health initiatives,*
21 *shall develop strategies for partnerships between the program*
22 *and the local children's health initiatives to help children retain*
23 *their California Healthy Kids Insurance Program health care*
24 *coverage, including processes for sharing address updates and*
25 *for notifying local children's health initiatives when children in*
26 *their area are at risk of losing coverage.*

27 *12693.9912. (a) The California Healthy Kids Insurance*
28 *Program, in consultation with the California Healthy Kids*
29 *Expert Panel, shall modify the Healthy Families and Medi-Cal*
30 *children's forms and processes as necessary to seek family*
31 *consent to transfer information among the Medi-Cal and Healthy*
32 *Families programs.*

33 *(b) The California Healthy Kids Insurance Program shall*
34 *establish, in consultation with the California Healthy Kids Expert*
35 *Panel and other stakeholders, simplified annual renewal forms*
36 *for children enrolled in the Healthy Families Program and for*
37 *children and their families enrolled in the Medi-Cal program,*
38 *including forms prepopulated with the child's eligibility*
39 *information and a simple check off list for families to identify*
40 *whether each eligibility information item remains correct. The*

1 *renewal form shall request families to provide and certify with*
 2 *their signature any changes to the prepopulated eligibility*
 3 *information form. The California Healthy Kids Insurance*
 4 *Program shall establish a process to allow families to renew*
 5 *their child's coverage by telephone.*

6 *(c) The California Healthy Kids Insurance Program shall, in*
 7 *consultation with the California Healthy Kids Expert Panel,*
 8 *develop strategies to notify families of their child's renewal date*
 9 *including notifications on regular communications such as*
 10 *premium payment statements or on insurance cards.*

11 *(d) The California Healthy Kids Insurance Program shall*
 12 *establish a mechanism to implement federal Medicaid law and*
 13 *state rules for the Medi-Cal program and the Healthy Families*
 14 *program with regard to educating families about the opportunity*
 15 *to transfer to lower-premium levels or to no-cost Medi-Cal if the*
 16 *child's income eligibility changes, and implement provisions of*
 17 *existing law that provide that a child should be enrolled in the*
 18 *most beneficial program for which the child is eligible. The*
 19 *California Healthy Kids Insurance Program shall use the*
 20 *seamless bridge coverage programs in Sections 12693.98 and*
 21 *12693.981 to transfer children who identify themselves as being*
 22 *eligible for another health insurance category, such as a*
 23 *lower-premium tier under Healthy Families or no-cost Medi-Cal,*
 24 *into another insurance program. Lower premiums or no premium*
 25 *eligibility tiers shall begin at the point the child requests the*
 26 *determination.*

27 *(e) The California Healthy Kids Insurance Program shall offer*
 28 *an online Medi-Cal health plan/health care arrangement*
 29 *selection system coordinated with the Healthy Families health*
 30 *plan selection system, in consultation with the California Healthy*
 31 *Kids Expert Panel and other interested counties, consumer*
 32 *advocates, and stakeholders. The program shall develop and*
 33 *implement a coordinated listing of Medi-Cal program health*
 34 *plans, county organized health systems, fee for service*
 35 *arrangements for children, and Healthy Families Program*
 36 *health plans. This coordinated listing shall include provider*
 37 *networks and a provider locator system to identify for families*
 38 *under each program which plans include their current or*
 39 *preferred providers. The coordinated listing shall be updated*
 40 *regularly and shall be available through the California Healthy*

1 *Kids Insurance Program Web site and Healthy Families*
2 *Program online provider locator.*

3 12693.9913. *All children who reside in this state, who intend*
4 *to continue to reside in this state, and who meet the age, income,*
5 *and other categorical eligibility requirements of either the*
6 *Healthy Families or Medi-Cal program shall be eligible for*
7 *coverage under the California Healthy Kids Program, including*
8 *those children for whom federal financial participation is not*
9 *available under Title XXI of the Social Security Act (42 U.S.C.*
10 *Sec. 1396 et seq.) or under Title XIX of the Social Security Act*
11 *(42. U.S.C. Sec. 1397aa et seq.) for full scope coverage.*

12 12693.9914. *Nothing in this chapter shall be construed to*
13 *authorize denial of medical assistance under the Medi-Cal*
14 *program (Chapter 7 (commencing with Section 14000) of Part 3*
15 *of Division 9 of the Welfare and Institutions Code) to a child*
16 *who, without the application of this chapter would qualify for*
17 *such assistance or to relieve the California Healthy Kids*
18 *Insurance Program of the obligation to determine eligibility on*
19 *all available other grounds for a child found to be ineligible for*
20 *the Medi-Cal program as part of the California Healthy Kids*
21 *Insurance Program under this chapter.*

22 12693.9915. *During the planning and development phase*
23 *before the statewide California Healthy Kids Insurance Program*
24 *is implemented, the local children's health insurance programs*
25 *and local children's health initiative coalitions shall continue to*
26 *highlight best practices that will guide the development and*
27 *implementation of the statewide California Healthy Kids*
28 *Insurance Program. During this planning and development*
29 *phase, the administering agencies and Secretary of the*
30 *California Health and Human Services Agency shall coordinate*
31 *local children's health insurance programs and local children's*
32 *health initiative coalitions with state and federally funded*
33 *programs such as the emergency Medi-Cal program and the*
34 *Child Health Disability and Prevention program so that local*
35 *funds do not replace but augment existing state and federally*
36 *funded programs and services. Such coordination shall begin*
37 *upon enactment.*

38 *The local children's health insurance programs shall pilot*
39 *financing options that seek to leverage state and federal funding*
40 *and help shape the statewide California Healthy Kids Insurance*

Program financing strategy. If funds are available during this planning and development phase, the state may provide local children's health insurance programs that meet certain eligibility, benefit, and cost sharing standards with funds to match local funding to cover premiums based on a percentage of the Healthy Families Community Provider Plan rate.

During the transition phase, which is the period after implementation of the California Healthy Kids Insurance Program has begun but before the program is fully implemented, the state shall approve local pilot programs proposed and created by local children's health insurance programs and local children's health initiative coalitions that have local financing to support either a local children's coverage expansion program or a children's coverage expansion through the Healthy Families program or the Medi-Cal program. These local pilot programs would qualify for phased-in state funds, subject to availability, and for federal funds, if applicable, to match local funding. The pilot programs that are based on local children's coverage expansion programs shall meet certain standards, including eligibility, comprehensive benefits and affordable cost sharing.

Local pilot programs shall model features such as simplified, automated, and coordinated enrollment and retention processes, integrated safety net or local providers, employer participation opportunities, and leveraged funding for children's coverage programs.

In addition, local programs with local funding may pilot broader coverage expansions, such as young adults and higher income children and adults. The pilot programs shall be tracked and independently evaluated with private funding to identify best practices for implementation in both urban and rural areas. The administering agencies in consultation with the California Healthy Kids Expert Panel shall consider the pilot project findings in making recommendations on implementation features of the California Healthy Kids Insurance Program. Once the California Healthy Kids Insurance Program is operational statewide, there shall be a period of time during which local pilot programs, subject to specified criteria, will receive state matching funds while transitioning to the statewide program. Children enrolled in or eligible for local children's health programs shall be eligible for either the Medi-Cal program or

1 *the Healthy Families program, as authorized in this chapter. The*
2 *transition shall provide an automatic roll-over for children*
3 *enrolled in the local children's health insurance programs into*
4 *their existing health plan under the Medi-Cal program or the*
5 *Healthy Families program, if the health plan is a participating*
6 *plan in the program under which the child qualifies. For good*
7 *cause, or upon the child's next annual renewal, children may*
8 *switch plans or otherwise remain in their existing plan. After the*
9 *transition period and once the California Healthy Kids Insurance*
10 *Program is fully operational statewide, counties have the option*
11 *to support coverage under the California Healthy Kids Insurance*
12 *Program, but county funding shall not be required to support*
13 *children's coverage under the California Healthy Kids Insurance*
14 *Program.*

15 *12693.9916. Notwithstanding any other provision of law, this*
16 *chapter may only be implemented to the extent that funds are*
17 *appropriated for purposes of the chapter in the annual Budget*
18 *Act or in another statute.*

19 *SEC. 14. (a) It is the intent of the Legislature to enact*
20 *legislation to authorize the California Healthy Kids Insurance*
21 *Program to develop health care coverage options for persons of*
22 *the ages of 19 and 20 who are ineligible for the Healthy Families*
23 *or Medi-Cal programs. These coverage options may include*
24 *statewide or local demonstration programs, and may consist of*
25 *an option for the person (or a parent on the person's behalf) to*
26 *purchase California Healthy Kids Insurance Program coverage*
27 *at full premium cost, or an option for the person to maintain*
28 *coverage through continuation coverage when coverage would*
29 *otherwise terminate due to the person's age.*

30 *(b) It is the intent of the Legislature to develop strategies to*
31 *promote and support voluntary employer participation in*
32 *children's health care coverage, relative to children of*
33 *employees. These employer participation options shall be*
34 *designed to offer health insurance to children through*
35 *arrangements that are affordable and efficient for employers and*
36 *families. Particular attention shall be paid to how new*
37 *opportunities for employer participation would interact with*
38 *current practices and patterns in employer sponsored dependent*
39 *coverage.*

1 (c) It is the intent of the Legislature to implement the
2 California Healthy Kids Insurance Program over several years
3 to provide adequate time to develop the statewide policies and
4 infrastructure, to transition effectively from local children's
5 health insurance efforts to a statewide program, and to phase in
6 implementation consistent with available resources.

7 (d) It is the intent of the Legislature that in the first two years
8 of implementation, the California Healthy Kids Expert Panel will
9 be established, program policies and systems will be developed
10 and implemented, and pilot programs will begin, subject to
11 available resources.

12 (e) It is the intent of the Legislature that in the third year of
13 implementation, all enrollment innovations and changes should
14 be operational and California Healthy Kids Insurance Program
15 enrollment will be open for newly eligible children. Newly
16 eligible children may be phased in according to age consistent
17 with available resources.

18 (f) It is the intent of the Legislature that financing for the
19 California Healthy Kids Insurance Program will be derived from
20 any of the following sources:

21 (1) Currently available federal matching funds for children
22 eligible for but not enrolled in the Medi-Cal and Healthy
23 Families programs.

24 (2) Available federal matching dollars for children with a
25 family income of more than 250 percent of the federal poverty
26 level.

27 (3) Family contributions toward premiums.

28 (4) Contributions from employers who chose to participate in
29 the California Healthy Kids Insurance Program.

30 (5) During the transition period while the California Healthy
31 Kids Insurance Program is being developed and implemented,
32 funds from local children's health initiatives with pilot projects
33 to operate local children's health insurance programs or to buy
34 into the Medi-Cal or Healthy Families Program.

35 (g) The state already provides some coverage and pays for
36 services for uninsured children through, for example, the Child
37 Health and Disability Prevention (CHDP) Program, the CHDP
38 Gateway Program, emergency Medi-Cal coverage, and
39 share-of-cost Medi-Cal coverage. It is the intent of the
40 Legislature that these programs be maintained under the

1 *California Healthy Kids Insurance Program as well as safety net*
2 *financing. For the purposes of financing the California Healthy*
3 *Kids Insurance Program, the costs attributable to the California*
4 *Healthy Kids Insurance Program coverage are those additional*
5 *costs beyond the funding for these existing programs.*

6 SEC. 15. Section 14005.23 of the Welfare and Institutions
7 Code is amended to read:

8 14005.23. (a) To the extent federal financial participation is
9 available, the department shall, when determining eligibility for
10 children under Section 1396a(l)(1)(D) of Title 42 of the United
11 States Code, designate a birth date by which all children who
12 have not attained the age of 19 years will meet the age
13 requirement of Section 1396a(l)(1)(D) of Title 42 of the United
14 States Code.

15 (b) Commencing July 1, 2006, to the extent federal financial
16 participation is available, the department shall apply the more
17 liberal income deduction described in Section 1396a(r) of Title
18 42 of the United States Code when determining eligibility for the
19 children identified in subdivision (a). The amount of this
20 deduction shall be the difference between 133 percent and 100
21 percent of the federal poverty level applicable to the size of the
22 family.

23 SEC. 16. Section 14005.41 of the Welfare and Institutions
24 Code is amended to read:

25 14005.41. (a) Notwithstanding any other provision of law,
26 the department shall deem to have met the income documentation
27 requirements for participation in the Medi-Cal program, without
28 a share of cost, any child who is less than six years of age and
29 who has been determined to be eligible for free meals through a
30 federally funded program using the National School Lunch
31 Program application provided for pursuant to Chapter 13
32 (commencing with Section 1751) of Title 42 of the United States
33 Code.

34 (b) Notwithstanding any other provision of law, with regard to
35 any child who is enrolled in and attending public school in the
36 State of California, the department shall accept documentation of
37 enrollment for free meals under the National School Lunch
38 Program as sufficient documentation of California residency for
39 that child for the purposes of the Medi-Cal program.

(c) (1) (A) Notwithstanding any other provision of law, each county shall participate in a statewide pilot project to determine Medi-Cal program eligibility for any child under six years of age and currently enrolled in school in the State of California who is eligible for free meals under the National School Lunch Program upon receipt of proof of participation in the National School Lunch Program and a signed Medi-Cal application, which may be the supplemented application, described in subdivision (i). Counties shall notify the parent or guardian of the results of the eligibility determination.

(B) Notwithstanding any other provision of law, each county shall participate in a statewide pilot project to use the procedure described in this subdivision to determine Medi-Cal eligibility without a share of cost, and, if eligible, shall enroll in the Medi-Cal program, any child six years of age or older currently enrolled in school in the State of California who is eligible for free meals under the National School Lunch Program, upon receipt of proof of participation in the National School Lunch Program and a signed Medi-Cal application, which may be the supplemented application, described in subdivision (i). If the county determines from the supplemented application described in subdivision (i) that the child meets the eligibility requirements for participation in the Medi-Cal program, the county shall notify the parent or guardian that the child has been found eligible for the Medi-Cal program. If the county is unable to determine from the information on the application as described in subdivision (i) whether the child is eligible, the county shall contact the family to seek any additional information regarding income, household composition, or deductions that the department, in consultation with the county welfare departments, may determine to be necessary to complete the Medi-Cal application. If the county determines that the child does not meet the income eligibility requirements for participation in the full-scope no-cost Medi-Cal program, the county shall notify the parent or guardian of the determination and shall forward the school lunch application and any supplemental forms as described in subdivision (i) to the Healthy Families Program. If an applicant is determined to be ineligible for the full-scope no-cost Medi-Cal program and for the Healthy Families Program, the school lunch application and any supplemental forms as described in subdivision (i) shall be

1 forwarded to a county- or local-sponsored health insurance
2 program, as applicable, if the parent or guardian has provided
3 consent. For purposes of this section, a county- or
4 local-sponsored health insurance program includes a county
5 agency, a local initiative, a county-organized health system, or
6 other local entity that provides health care coverage to children
7 who do not qualify for the full-scope no-cost Medi-Cal program
8 or for the Healthy Families Program.

9 (2) Each county shall ask the parent or guardian of each child
10 identified in subparagraph (A) of paragraph (1) and the parent or
11 guardian of each child whom the county determines to meet the
12 income eligibility requirements for participation in the Medi-Cal
13 program under subparagraph (B) of paragraph (1) to provide
14 additional documentation as required by current law necessary
15 for retention of eligibility in the Medi-Cal program. If a parent or
16 guardian does not provide the documentation required for
17 retention of full-scope Medi-Cal program eligibility, the county
18 shall continue the child's enrollment in the Medi-Cal program,
19 but only for the limited scope of Medi-Cal program benefits as
20 described in Section 14007.5. If applicable, the county shall also
21 forward the school lunch application and any supplemental forms
22 as described in subdivision (i), for applicants who are determined
23 to be ineligible for the full-scope no-cost Medi-Cal program and
24 for the Healthy Families Program, to a county- or
25 local-sponsored health insurance program if the parent or
26 guardian has provided consent.

27 (d) Nothing in this section shall be construed as preventing the
28 department from verifying eligibility through the Income
29 Eligibility Verification System match mandated by Section 1137
30 of the federal Social Security Act (42 U.S.C. Sec. 1320b-7) or
31 from requesting additional information or documentation
32 required by federal law.

33 (e) Each county shall include its cost of implementing this
34 section in its annual Medi-Cal administrative budget requests
35 submitted to the department.

36 (f) For purposes of this section, the Medi-Cal program
37 application date shall be the date on which the school lunch
38 application information is received by the local agency
39 determining eligibility under the Medi-Cal program.

(g) (1) This section shall be implemented only if, and to the extent that, federal financial participation is available for the services provided and only for the period of time the free National School Lunch Program utilizes a gross income standard at or below 133 percent of the federal poverty level. This section shall be implemented in a manner consistent with any federal approval.

(2) Notwithstanding paragraph (1), if the department determines that one or more state plan amendments are necessary to ensure full federal financial participation in the provisions of this section, the department shall prepare and submit requests for the state plan amendments to the federal government, after which this section shall not be implemented until the department receives approval of all necessary state plan amendments.

(h) (1) Notwithstanding subdivision (g), not later than March 1, 2003, the department, in consultation with the State Department of Education and representatives of the school districts, county superintendents of schools, local agencies that administer the Medi-Cal program, consumer advocates, and other stakeholders, shall develop and distribute the policies and procedures, including any all-county letters, necessary to implement Section 49557.2 of the Education Code and this section.

(2) The policies and procedures required to be developed and distributed pursuant to subdivision (a) shall include, at a minimum, both of the following:

(A) Processes for the school districts, county superintendents of schools, and local agencies that administer the Medi-Cal program to use in forwarding and processing free school lunch application information pursuant to Section 49557.2 of the Education Code, and in following up with the applicants to obtain any necessary documentation required by federal law.

(B) Instructions for implementing the eligibility provisions of this chapter.

(3) The policies and procedures required to be developed pursuant to subdivision (a) shall specify all of the following:

(A) The information on the school lunch application may be used to initiate a Medi-Cal program application only when the applicant has provided his or her consent pursuant to Section 49557.2 of the Education Code.

1 (B) The date of the Medi-Cal program application shall be the
2 date on which the school lunch application was received by the
3 local agency that determines eligibility under the Medi-Cal
4 program.

5 (C) The county, in determining eligibility for the Medi-Cal
6 program, shall request additional documentation only as required
7 by federal law, and shall enroll any child whose parent or
8 guardian does not provide the necessary documentation for
9 full-scope benefits under the Medi-Cal program in the Medi-Cal
10 program with limited scope benefits, as described in Section
11 14007.5.

12 (i) To the extent federal financial participation is available,
13 and to the extent administratively feasible, the department shall
14 utilize the free National School Lunch Program application
15 developed under Section 49557.2 of the Education Code, if
16 supplemented as needed by simplified forms and disclosures,
17 including Medi-Cal rights and responsibility notices and privacy
18 notices, as a Medi-Cal application for children described in this
19 section.

20 (j) Notwithstanding Chapter 3.5 (commencing with Section
21 11340) of Part 1 of Division 3 of Title 2 of the Government
22 Code, the department shall implement this section by means of
23 all-county letters or similar instructions without taking regulatory
24 action. Thereafter, the department shall adopt regulations in
25 accordance with the requirements of Chapter 3.5 (commencing
26 with Section 11340) of Part 1 of Division 3 of Title 2 of the
27 Government Code.

28 (k) The department shall review the effectiveness of the
29 statewide pilot project and make recommendations regarding
30 appropriate ways to expand the use of the approaches contained
31 in this section.

32 (l) In order to expedite health *care* coverage for children who
33 have been determined eligible for free meals under the National
34 School Lunch Program, the department, at its discretion, may
35 choose to implement this section in whole or in part by
36 exercising the option described in Section 1396r-1a of Title 42 of
37 the United States Code to allow information provided on the
38 National School Lunch Program application referred to, and
39 supplemented as described, in paragraph (1) of subdivision (a) of
40 Section 49557.2 of the Education Code to serve as a basis for a

1 preliminary eligibility determination by a qualified entity
2 designated by the department.

3 (m) County- and local-sponsored health program agencies are
4 authorized to use the supplemental application described in
5 subdivision (i) and received pursuant to subdivision (c) to make
6 an eligibility determination for those respective programs, and
7 shall request additional information only as needed to complete
8 the eligibility process.

9 (n) A county may, at its option, and with the consent of the
10 parent or guardian as provided in paragraph (3) of subdivision (a)
11 of Section 49557.2 of the Education Code, notify the school of
12 the names and contact information of children who are in
13 jeopardy of losing accelerated Medi-Cal coverage because a
14 child's parent or guardian has not provided required followup
15 information to the county. This notice shall be limited to the
16 names and contact information, and shall not specify what
17 information is missing. This shall be done for the sole purpose of
18 enabling the school, at its option, to conduct outreach activities to
19 encourage or assist those parents or guardians to complete and
20 submit the required followup information.

21 (o) Effective July 1, 2006, any child currently enrolled in
22 school who is eligible for reduced price meals under the National
23 School Lunch Program shall be eligible for an accelerated
24 determination for the California Healthy Kids Insurance Program
25 and their school lunch application along with any supplemental
26 forms and disclosures as described in subdivision (i) will be
27 evaluated by the appropriate entity for ongoing medical
28 assistance, upon the authorization of their parent or guardian,
29 pursuant to this section and Section 49557.2 of the Education
30 Code, and as otherwise provided by law.

31 (p) The procedures set out in this section shall be revised to
32 allow an electronic application system that utilizes the real-time
33 electronic connection to the state eligibility database developed
34 pursuant to subdivision (b) of Section 14011.7 to allow children
35 to apply for; an accelerated determination for the California
36 Healthy Kids Insurance Program, and ongoing medical assistance
37 pursuant to Section 14005.43 utilizing information provided for
38 application to the National School Lunch Program. As part of
39 this revision, the department, in consultation with the Managed
40 Risk Medical Insurance Board, the California Healthy Kids

1 Expert Panel, and other stakeholders shall develop a means for
2 using the electronic application to allow students at provisional
3 schools to apply for medical assistance.

4 (q) Notwithstanding any other provision of law, to the degree
5 federal financial participation is available, individuals who are
6 eligible for the National School Lunch Program on the basis of
7 categorical eligibility shall not be required to submit any
8 additional income information to establish income eligibility for
9 an accelerated determination and ongoing medical assistance
10 pursuant to this section. Ex parte procedures shall be used to
11 make an eligibility determination, if necessary.

12 SEC. 17. Section 14005.43 is added to the Welfare and
13 Institutions Code, to read:

14 14005.43. (a) The department, working in coordination with
15 the Managed Risk Medical Insurance Board pursuant to Section
16 12693.415 of the Insurance Code, the California Healthy Kids
17 Expert Panel, the governing agencies designated by Section
18 123290 of the Health and Safety Code, and Section 14005.41,
19 and other stakeholders, shall develop an electronic application
20 system that utilizes the real-time electronic connection to the
21 state eligibility database developed pursuant to subdivision (b) of
22 Section 14011.7 to be used by children applying for the
23 California Special Supplemental Nutrition Program for Women,
24 Infants, and Children (WIC) as provided for in Article 2
25 (commencing with Section 123275) of Chapter 1 of Part 2 of
26 Division 106 of the Health and Safety Code and the National
27 School Lunch Program (NSLP) as provided pursuant to Chapter
28 13 (commencing with Section 1751) of Title 42 of the United
29 States Code.

30 (1) Pursuant to this section, the electronic application shall be
31 designed to allow children to apply for an accelerated
32 determination for the California Healthy Kids Insurance Program
33 and ongoing medical assistance utilizing information provided
34 for application to the WIC program or the NSLP or any other
35 children's programs that may be added in the future, as
36 appropriate, at the recommendation of the governing agencies of
37 the California Healthy Kids *Insurance* Program, the California
38 Healthy Kids Expert Panel, and other stakeholders.

39 (2) Eligibility personnel at participating WIC and NSLP sites
40 or another entity designated by the department to make the

1 accelerated determination shall utilize the electronic application
2 for medical assistance purposes only with the consent and
3 authorization of the applicant's parent or guardian and shall
4 safeguard the information shared pursuant to this section.

5 (3) The department shall utilize the electronic application
6 developed pursuant to this section for an accelerated eligibility
7 determination, and shall provide ongoing eligibility for medical
8 assistance pending a final determination.

9 (4) The electronic application and the process for conducting
10 the eligibility review and communicating with families shall be
11 designed such that the initial submission of the electronic
12 application using the information provided for application to
13 WIC or NSLP is sufficient to authorize accelerated enrollment
14 and to constitute a Medi-Cal application.

15 (5) All efforts shall be made to coordinate and streamline the
16 enrollment process, pursuant to this section, with the express
17 enrollment process set out in Section 14005.41 and in Section
18 49557.2 of the Education Code.

19 (6) The electronic application and any followup procedures
20 that may be required for a final determination shall be as simple
21 as permitted by federal law to the extent federal financial
22 participation is available, and shall be periodically reevaluated by
23 the governing agencies of the California Healthy Kids Insurance
24 Program, the California Healthy Kids Expert Panel, and other
25 stakeholders to enhance simplicity as changes to federal law may
26 allow.

27 (b) Notwithstanding any other provision of law, upon proof of
28 current enrollment in the California Special Supplemental
29 Nutrition Program for Women, Infants, and Children (WIC) as
30 provided in Article 2 (commencing with Section 123275) of
31 Chapter 1 of Part 2 of Division 106 of the Health and Safety
32 Code, the National School Lunch Program (NSLP) as provided
33 pursuant to Chapter 13 (commencing with Section 1751) of Title
34 42 of the United States Code, the Food Stamp Program as
35 provided pursuant to Chapter 51 (commencing with Section
36 2011) of Title 7 of the United States Code, or any other
37 children's program that may be added in the future, as
38 appropriate, at the recommendation of the California Healthy
39 Kids Expert Panel and other stakeholders, the department shall
40 accept an income eligibility determination made by the

1 appropriate program agency as proof that the applicant meets the
2 income guidelines of the California Healthy Kids Insurance
3 Program and, irrespective of differences in financial eligibility
4 standards and methodologies, shall rely on the poverty level
5 finding of the other program agency. Nothing in this subdivision
6 or in Chapter 17 (commencing with Section 12693.99) of Part
7 6.2 of Division 3 of the Insurance Code shall be construed to
8 authorize denial of medical assistance to a child who, without the
9 application of this subdivision, would qualify for such assistance
10 or to relieve the California Healthy Kids Insurance Program of
11 the obligation to determine eligibility on all available grounds for
12 a child found to be ineligible under this subdivision.

13 (c) The department shall seek approval of any amendments to
14 the state plan necessary to implement this section, for purposes of
15 funding under Title XIX of the Social Security Act (42 U.S.C.
16 Sec. 1396 et seq.). Notwithstanding any other law, this section
17 shall be implemented only to the extent that federal financial
18 participation is available and to the extent that federal financial
19 participation supports coordination across the California Healthy
20 Kids Insurance Program.

21 SEC. 18. Section 14005.71 is added to the Welfare and
22 Institutions Code, to read:

23 14005.71. In determining eligibility and redetermination for
24 coverage under the Medi-Cal program for a child or for a family,
25 the department shall request documentation and verify
26 information provided only to the extent necessary to determine
27 eligibility and only to the extent required under federal law.

28 SEC. 19. Section 14011.65 is added to the Welfare and
29 Institutions Code, to read:

30 14011.65. (a) The Medi-Cal to Healthy Families Accelerated
31 Enrollment Program is hereby established to provide any child
32 who meets the criteria set forth in subdivision (b) with temporary
33 health benefits while his or her application is forwarded to the
34 Healthy Families Program established under Part 6.2
35 (commencing with Section 12693) of Division 2 of the Insurance
36 Code.

37 (b) (1) Any child who meets the eligibility requirements of
38 Chapter 17 (commencing with Section 12693.99) of Part 6.2 of
39 Division 3 of the Insurance Code, shall be eligible for temporary

1 health benefits funded by Title XXI of the Social Security Act,
2 where available, if the following requirements are met:

3 (A) The child, or his or her parent or guardian, either:

4 (i) Submits an application for the Medi-Cal program directly
5 to the county.

6 (ii) Has submitted an application for the Medi-Cal program to
7 single point of entry as defined in subdivision (e) of Section
8 14011.6, and has been granted accelerated enrollment by the
9 single point of entry pursuant to Section 14011.6.

10 (B) The child is not receiving Medi-Cal benefits at the time
11 that the application is submitted, with the exception of
12 accelerated enrollment provided pursuant to Section 14011.6.

13 (C) The child, or his or her parent or guardian, gives or has
14 given consent for the application to be forwarded to the Healthy
15 Families Program.

16 (2) The temporary benefits provided under this section shall be
17 effective on the date that the county finds that the child meets all
18 of the criteria in paragraph (1) of subdivision (b).

19 The benefits shall terminate on the date that the child is
20 discontinued from the state Medical Eligibility Data System due
21 to his or her full enrollment in the Healthy Families Program or
22 ineligibility for the Healthy Families Program.

23 (3) The temporary health benefits provided under this section
24 shall be identical to the benefits provided to children who receive
25 full-scope Medi-Cal benefits without a share of cost and shall
26 only be made available through a Medi-Cal provider.

27 (c) The department, in consultation with the Managed Risk
28 Medical Insurance Board, as the governing agencies for the
29 California Healthy Kids Insurance Program, the California
30 Healthy Kids Expert Panel, and representatives of the local
31 agencies that administer the Medi-Cal program, consumer
32 advocates, and other stakeholders, shall develop and distribute
33 the policies and procedures, including any all-county letters,
34 necessary to implement this section.

35 (d) If the department determines that one or more state plan
36 amendments are necessary to ensure full federal financial
37 participation in the provisions of this section, the department
38 shall prepare and submit requests for the state plan amendments
39 to the federal government.

1 (e) Each county shall include its cost of implementing this
2 section in its annual Medi-Cal administrative budget request
3 submitted to the department.

4 SEC. 20. Section 18925 of the Welfare and Institutions Code
5 is amended to read:

6 18925. (a) The State Department of Health Services, in
7 conjunction with the State Department of Social Services, shall
8 implement a simplified eligibility process as part of the Food
9 Stamp Program to expedite Medi-Cal program and Healthy
10 Families Program enrollment for Food Stamp Program
11 recipients, including children and their eligible parents or
12 caretaker relatives who are not enrolled in those programs.

13 (b) The State Department of Health Services shall develop a
14 data list of children and their parents residing in eligible food
15 stamp households who are not enrolled in the Medi-Cal program
16 or the Healthy Families Program.

17 (c) The State Department of Health Services shall develop a
18 notice informing individuals identified pursuant to subdivision
19 (b) that they may be entitled to receive benefits under the
20 Medi-Cal program or the Healthy Families Program.

21 (d) At the time of the food stamp household's annual
22 recertification, the State Department of Health Services shall
23 send the notice specified in subdivision (c) to the individuals
24 identified in subdivision (b) with a return envelope addressed to
25 the applicable county welfare department. The notice shall
26 include a request for permission to use the information in the
27 food stamp recipient's case file to make a determination of
28 eligibility for the Medi-Cal program and the Healthy Families
29 Program.

30 (e) The notice shall be written in culturally and linguistically
31 appropriate language and at an appropriate literacy level. The
32 notice shall include information on the Medi-Cal program and
33 the Healthy Families Program, and a telephone number that food
34 stamp recipients may call for additional information.

35 (f) To apply for medical assistance under the Medi-Cal
36 program, the parent or guardian of the food stamp recipient shall
37 sign, date, and return the notice requesting that an eligibility
38 determination be made. Upon receipt of the notice, the county
39 welfare department shall make an eligibility determination by
40 utilizing the information in the food stamp recipient's case file or

1 paper application. The Medi-Cal application date shall be the
2 date the notice is received by the county welfare department. If
3 the food stamp case file does not include sufficient information
4 to establish Medi-Cal program eligibility, the county welfare
5 department shall request, either orally or in writing, additional
6 information from the food stamp recipient.

7 (g) If the food stamp recipient is determined to be eligible to
8 participate in the Medi-Cal program with a share of cost, or is
9 determined to be ineligible for Medi-Cal, information pertinent to
10 the food stamp recipient's eligibility for the Healthy Families
11 Program shall be forwarded by the county welfare department to
12 the Healthy Families Program statewide administrator for
13 immediate processing. If there is insufficient information to
14 establish Healthy Families Program eligibility, the administrator
15 shall request, either orally or in writing, additional information
16 from the food stamp recipient.

17 (h) Counties shall include the cost of implementing this
18 section in their annual administrative budget requests to the State
19 Department of Health Services.

20 (i) This section shall be implemented on or after July 1, 2003,
21 but only to the extent federal financial participation is available.

22 (j) The State Department of Health Services and the State
23 Department of Social Services shall develop guidelines to
24 identify the scope and allocation of responsibilities of state
25 agencies and counties under this section. Counties shall be
26 required to adopt procedures and make appropriate programming
27 changes to their automated welfare systems to accommodate
28 simplification and streamlining pursuant to this section. Counties
29 shall further be required to place a high priority on designing and
30 implementing the programming to their automated welfare
31 systems necessary to perform an ex parte, automatic Medi-Cal
32 renewal using food stamp data, at recertification, and to align
33 Medi-Cal and food stamp renewal dates to the most favorable
34 date to the extent consistent with current law.

35 ~~SEC. 21. It is the intent of the Legislature to enact Assembly~~
36 ~~Bill 624.~~

37 ~~SEC. 22.~~

38 *SEC. 21.* Notwithstanding any other provision of law, the
39 Managed Risk Medical Insurance Board may implement this act

1 only to the extent that funds are appropriated for the purposes of
2 the act in the annual Budget Act or in another statute.

3 ~~SEC. 23.~~

4 *SEC. 22.* If the Commission on State Mandates determines
5 that this act contains costs mandated by the state, reimbursement
6 to local agencies and school districts for those costs shall be
7 made pursuant to Part 7 (commencing with Section 17500) of
8 Division 4 of Title 2 of the Government Code.

O